

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:474

ANSWERED ON:25.07.2001

CHANGES IN GADGIL MUKHERJEE FORMULA

MOHAMMED SHAHABUDDIN;RAGHUVANSH PRASAD SINGH;RAM PRASAD SINGH

Will the Minister of PLANNING be pleased to state:

(a) whether the Planning Commission held a meeting in June to discuss the approach paper on the 10th Five Year Plan proposing changing in the Gadgil-Mukherjee formula which has been in vogue for the last 20 years in allocation of funds to States formula;

(b) if so, the details thereof;

(c) whether any decision has been taken in allocation of funds based on population of each State;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE DEPARTMENT OF INVESTMENT, MINISTER OF STATE IN THE MINISTRIES OF PLANNING, STATISTICS & PROGRAMME IMPLEMENTATION AND MINISTER OF STATE IN THE DEPARTMENT OF ADMINISTRATIVE REFORMS AND PUBLIC GRIEVANCES (SHRI ARUN SHOURIE)

(a) to (e): The Full Planning Commission in its meeting held on 27th & 29th June 2001 discussed, inter-alia, the issue of the revision of Gadgil formula for allocation of Normal Central Assistance (NCA) to States. However, since a review of the Formula requires the approval of the National Development Council (NDC) and also in view of the difference of opinion among the State Governments and the sensitivity of this issue, it was decided that it would be necessary to discuss this further and evolve a consensus before alternatives are considered by the NDC.